

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING APRIL 07, 2022**

CASE NOS. 22627-22628

KAISER 18 #1H WELL

KAISER 18 #4H WELL

LEA COUNTY, NEW MEXICO

**REDWOOD
OPERATING LLC**

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATIONS OF REDWOOD
OPERATING LLC FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

CASE NOS. 22627-22628

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 22627	APPLICANT'S RESPONSE
Date	April 7, 2022
Applicant	Redwood Operating LLC
Designated Operator & OGRID (affiliation if applicable)	330211
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF REDWOOD OPERATING LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	Sabinal Energy Operating, LLC
Well Family	Kaiser 18
Formation/Pool	
Formation Name(s) or Vertical Extent:	Yeso formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	From top of Yeso to 3,000 feet
Pool Name and Pool Code:	Redlake; Glorieta-Yeso (Pool Code 51120)
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	200 acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	200 acres, more or less
Building Blocks:	quarter-quarter sections
Orientation:	East to West
Description: TRS/County	SW/4 NW/4 of Section 18, Township 18 South, Range 27 East, and the S/2 N/2 of Section 13, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	Yes; From top of Yes to 3,000 feet
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit C-3
Well(s)	<p>BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A Submitted by: Redwood Operating LLC Hearing Date: April 7, 2022 Case Nos. 22627-22628</p>

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Kaiser 18 #1H well SHL: SE/4 NW/4 (Unit F) of Section 18 Township 18 South, Range 27 East. BHL: SW/4 NW/4 (Unit E) of Section 13, Township 18 South, Range 26 East. Completion Target: Paddock within the Yeso Completion Status: Expected to be standard
Horizontal Well First and Last Take Points	Exhibit C-2
Completion Target (Formation, TVD and MD)	Exhibit C-2
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	N/A
Production Supervision/Month \$	N/A
Justification for Supervision Costs	N/A
Requested Risk Charge	N/A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-3
Tract List (including lease numbers and owners)	Exhibit C-3
Pooled Parties (including ownership type)	Exhibit C-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	Exhibit D-3
Joinder	
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3
Chronology of Contact with Non-Joined Working Interests	Exhibit C-6
Overhead Rates In Proposal Letter	N/A
Costs Estimated in Proposal Letter	N/A

Cost Estimate to Equip Well	N/A
Cost Estimate for Production Facilities	N/A
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-3, D-4
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-3, D-4
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D, D-4
HSU Cross Section	Exhibit D-4
Depth Severance Discussion	Exhibit D
Forms, Figures and Tables	
C-102	Exhibit C-2
Tracts	Exhibit C-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-2
Structure Contour Map - Subsea Depth	Exhibit D-4
Cross Section Location Map (including wells)	Exhibit D-4
Cross Section (including Landing Zone)	Exhibit D-4
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Adam G. Rankin
Signed Name (Attorney or Party Representative):	
Date:	4-Apr-22

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 22628	APPLICANT'S RESPONSE
Date	April 7, 2022
Applicant	Redwood Operating LLC
Designated Operator & OGRID (affiliation if applicable)	330211
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF REDWOOD OPERATING LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	Sabinal Energy Operating, LLC
Well Family	Kaiser 18
Formation/Pool	
Formation Name(s) or Vertical Extent:	Yeso formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	From 3,001 feet to base of Yeso
Pool Name and Pool Code:	Redlake; Glorieta-Yeso (Pool Code 51120)
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	200 acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	200 acres, more or less
Building Blocks:	quarter-quarter sections
Orientation:	East to West
Description: TRS/County	SW/4 NW/4 of Section 18, Township 18 South, Range 27 East, and the S/2 N/2 of Section 13, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	Yes; From 3,001 feet to base of Yeso
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit C-3
Well(s)	

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Kaiser 18 #4H well SHL: SE/4 NW/4 (Unit F) of Section 18 Township 18 South, Range 27 East. BHL: SW/4 NW/4 (Unit E) of Section 13, Township 18 South, Range 26 East. Completion Target: Blinbry within the Yeso Completion Status: Expected to be standard
Horizontal Well First and Last Take Points	Exhibit C-2
Completion Target (Formation, TVD and MD)	Exhibit C-2
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-3
Tract List (including lease numbers and owners)	Exhibit C-3
Pooled Parties (including ownership type)	Exhibit C-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	Exhibit D-3
Joinder	
Sample Copy of Proposal Letter	Exhibit C-4, C-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3
Chronology of Contact with Non-Joined Working Interests	Exhibit C-6
Overhead Rates In Proposal Letter	Exhibit C-5
Cost Estimate to Drill and Complete	Exhibit C-5

Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-3, D-4
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-3, D-4
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C-102	Exhibit C-2
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General Location Map (including basin)	Exhibit D-1
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Cross Section Location Map (including wells)	Exhibit D-4
Cross Section (including Landing Zone)	Exhibit D-4
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Adam G. Rankin
Signed Name (Attorney or Party Representative):	
Date:	4-Apr-22

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF REDWOOD OPERATING
LLC FOR COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO.**

CASE NO. 22627

APPLICATION

Redwood Operating LLC (“Redwood” or “Applicant”) (OGRID No. 330211) through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in a 200-acre, more or less, horizontal well spacing unit in a portion of the Yeso formation from the top of the Yeso formation to a depth of 3,000 feet comprised of the SW/4 NW/4 of Section 18, Township 18 South, Range 27 East, and the S/2 N/2 of Section 13, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico. In support of its application, Applicant states:

1. Redwood Operating LLC is the contract operator for Pecos Oil & Gas LLC, which is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed initial well: the **Kaiser 18 #1H well**, to be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 18, Township 18 South, Range 27 East, to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 13, Township 18 South, Range 26 East.
3. A depth severance exists in the Yeso formation within the proposed horizontal spacing unit. Accordingly, Applicant seeks to pool only a portion of the Yeso formation, from the top of the Yeso formation to a depth of 3,000 feet, as defined in the Kaiser B 18 F #8 Well (API

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: Redwood Operating LLC
Hearing Date: April 7, 2022
Case Nos. 22627-22628**

No. 30-015-34630). Applicant will provide notice of this hearing to the vertical offset parties within the pool who are not subject to this pooling application.

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the interest owners in the subject spacing unit.

5. Approval of this horizontal well spacing unit and the pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed horizontal spacing unit and the proposed initial well.

WHEREFORE, Redwood Operating LLC requests that this application be set for hearing before an Examiner of the Oil Conservation Division, on April 7, 2022, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the horizontal well spacing unit and pooling all uncommitted interests in the horizontal spacing unit in the defined portion of the Yeso formation and approving the initial well thereon;
- B. Designating Applicant as operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

By: _____



Michael H. Feldewert
Adam G. Rankin
Julia Broggi
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Santa Fe, NM 87504
505-998-4421
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ATTORNEYS FOR REDWOOD OPERATING LLC

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF REDWOOD OPERATING
LLC FOR COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO.**

CASE NO. 22628

APPLICATION

Redwood Operating LLC (“Redwood” or “Applicant”) (OGRID No. 330211) through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in a 200-acre, more or less, horizontal well spacing unit in a portion of the Yeso formation from a depth of 3,000 feet to the base of the Yeso formation, comprised of the SW/4 NW/4 of Section 18, Township 18 South, Range 27 East, and the S/2 N/2 of Section 13, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico. In support of its application, Applicant states:

1. Redwood Operating LLC is the contract operator for Pecos Oil & Gas LLC, which is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed initial well: the **Kaiser 18 #4H well**, to be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 18, Township 18 South, Range 27 East, to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 13, Township 18 South, Range 26 East.
3. A depth severance exists in the Yeso formation within the proposed horizontal spacing unit. Accordingly, Applicant seeks to pool only a portion of the Yeso formation, from a depth of 3,000 feet to the base of the Yeso formation, as defined in the Kaiser B 18 F #8 Well (API

No. 30-015-34630). Applicant will provide notice of this hearing to the vertical offset parties within the pool who are not subject to this pooling application.

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the interest owners in the subject spacing unit.

5. Approval of this horizontal well spacing unit and the pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed horizontal spacing unit and the proposed initial well.

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- A. Approving the horizontal well spacing unit and pooling all uncommitted interests in the horizontal spacing unit in the defined portion of the Yeso formation and approving the initial well thereon;
- B. Designating Applicant as operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

By: _____



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ATTORNEYS FOR REDWOOD OPERATING LLC

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATIONS OF REDWOOD
OPERATING LLC FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NOS. 22627-22628

AFFIDAVIT OF DERIK SMITH

Derik Smith, of lawful age and being first duly sworn, declares as follows:

1. My name is Derik Smith. I work for Redwood Operating LLC, ("Redwood") as a Landman. Redwood is the contract operator for Pecos Oil & Gas LLC, which is a working interest owner in the proposed horizontal spacing units in these cases.

2. I have not previously testified before the New Mexico Oil Conservation Division. My resume is attached as **Redwood Exhibit C-1**. I graduated in May 2005 with a Bachelor of Arts degree from Washington University in St. Louis. In 2008, I graduated with J.D. from Washburn University School of Law. I started working as an oil and gas landman in the fall of 2008 with Arrow Energy Land Services in Dallas, Texas, focusing on mineral ownership reports and lease checks in East Texas. From that time, I worked as a landman continuously with various entities, including Read & Stevens, Inc. from 2014 until 2017, when I joined Elkhorn Land & Title, LLC in Roswell. It is a full services land brokerage firm with an emphasis on New Mexico and West Texas. I am a managing member. In addition, I have worked for Redwood Operating, LLC since late 2021 as a landman with responsibilities for clearing title and negotiating acquisitions and other agreements. I believe my education and work experience qualifies me to testify as an expert in petroleum land matters.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: Redwood Operating LLC
Hearing Date: April 7, 2022
Case Nos. 22627-22628

3. I am familiar with the applications filed by Redwood in these cases and the subject lands involved.

4. None of the mineral owners to be pooled have opposed these cases proceeding by affidavit, so I do not expect any opposition at the hearing.

5. In **Case No. 22627**, Redwood seeks an order pooling all uncommitted interests in a 200-acre, more or less, horizontal well spacing unit in a portion of the Yeso formation from the top of the Yeso formation to a depth of 3,000 feet comprised of the SW/4 NW/4 of Section 18, Township 18 South, Range 27 East, and the S/2 N/2 of Section 13, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.

6. Redwood intends to dedicate this standard horizontal spacing unit to the proposed initial **Kaiser 18 #1H well**, which will be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of said Section 18 to a bottom hole location in the SW/4 NW/4 (Unit E) of said Section 13. The completed interval of the well will comply with statewide setbacks for oil wells.

7. An ownership depth severance exists in the Yeso formation within the proposed the horizontal spacing unit at 3,000 feet, as defined in the Kaiser B 18 F #8 Well (API No. 30-015-34630). Accordingly, Redwood seeks to pool only a portion of the Yeso formation in **Case No. 22627**, from the top of the Yeso formation to a depth of 3,000 feet, as defined in the Kaiser B 18 F #8 Well.

8. In **Case No. 22628**, Redwood seeks an order pooling all uncommitted interests in a portion of the Yeso formation, from a depth of 3,001 feet to the base of the Yeso formation, in a 200-acre horizontal spacing comprised of the SW/4 NW/4 of Section 18, Township 18 South, Range 27 East, and the S/2 N/2 of Section 13, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.

9. The same depth severance in ownership exists in the Yeso formation within this proposed the horizontal spacing unit at 3,000 feet, as defined in the Kaiser B 18 F #8 Well (API No. 30-015-34630). Accordingly, Redwood seeks to pool only a portion of the Yeso formation in **Case No. 22628**, from a depth of 3,001 feet, as defined in the Kaiser B 18 F #8 Well, to the base of the Yeso formation.

10. Redwood intends to dedicate this standard horizontal spacing unit to the proposed initial **Kaiser 18 #4H well**, which will be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 18, Township 18 South, Range 27 East, to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 13, Township 18 South, Range 26 East. The completed interval for this well complies with the statewide rules for oil wells.

11. **Redwood Exhibit C-2** contains the C-102s for the proposed wells in each case. The exhibit shows that these wells will be assigned to the Red Lake, Glorieta-Yeso Pool (Pool code 51120).

12. **Redwood Exhibit C-3** identifies ownership interests by tract and on a unit basis within each proposed spacing unit. Redwood seeks to pool the interest owners identified in the exhibit in each case. Redwood also seeks to pool the overriding royalty interest owners in both cases that are listed on the exhibit.

13. In **Case No. 22627**, Redwood seeks to pool lessors whose lease instruments do not authorize pooling more than 40 acres for oil wells. The owners Redwood seeks to pool have already leased their mineral interests and, therefore, were not provided well proposal letters or AFEs. As royalty interests, their interests are not cost bearing; therefore, Redwood does not seek to apply a 200% risk charge against their interests. Redwood is seeking authority to compulsory pool their interests into a horizontal well spacing unit of approximately 200 acres in each case.

14. In **Case No. 22628**, Redwood seeks to pool the same lessors as in Case No. 22627 for the same reasons. In addition, Redwood seeks to pool working interest owners identified on Redwood Exhibit C-3 in this case.

15. **Redwood Exhibit C-4** contains a sample of the proposed lease amendments Redwood sent to each lessor that would authorize the proposed pooling.

16. **Redwood Exhibit C-5** contains a sample of the well proposal letters and AFEs sent to the working interest owners for the proposed well in Case No. 22628. The estimated costs reflected on the AFE are consistent with what Redwood and other operators have incurred for drilling similar horizontal wells in the Yeso formation in this area.

17. In addition to sending these proposed lease amendments and well proposal letters, the uncommitted parties have been contacted multiple times regarding the proposed wells but have yet to reach voluntary agreement. **Redwood Exhibit C-6** contains a summary chronology of the contacts with the interest owners that Redwood seeks to pool. In my opinion, Redwood has made a good faith effort to obtain voluntary joinder of the uncommitted interest owners.

18. Redwood requests overhead and administrative rates of \$8,000 per month for drilling and \$800 per month for a producing well. These rates are consistent with the rates charged by Redwood and other operators for wells of this type in this area.

19. I have provided the law firm of Holland and Hart, LLP, with the names and addresses of the uncommitted interest owners that Redwood seeks to pool in **Case Nos. 22627 and 22628**. All parties were locatable.

20. **Redwood Exhibits C-1 through C-6** were prepared by me or compiled under my direction from Redwood's company business records.

FURTHER AFFIANT SAYETH NAUGHT.


DERIK SMITH

STATE OF NEW MEXICO)
)
COUNTY OF EDDY)

SUBSCRIBED and SWORN to before me this 4th day of April 2022 by Derik Smith.

TAMBRA RENEE HUGHES
NOTARY PUBLIC
STATE OF NEW MEXICO
COMMISSION # 1062377
COMMISSION EXPIRES: 09-19-2023


NOTARY PUBLIC

My Commission Expires:

September 19, 2023

Derik A. Smith

1314 Sorrento Drive
Roswell Fe, NM 87201

316.214.5299
deriksmith@redwoodoperating.com

~ RELEVANT & PROFESSIONAL EXPERIENCE ~

- ⇒ Redwood Operating, LLC, Artesia, NM Winter 2021/Current
Landman: Clearing title for new drilling locations, negotiating acquisitions & sundry agreements.

- ⇒ Elkhorn Land & Title, LLC, Roswell, NM Spring 2017/Current
Managing Member: Operate a full services land brokerage firm with an emphasis on New Mexico & West Texas.
 - Review all title ownership reports for accuracy.

- ⇒ Read & Stevens, Inc., Roswell, NM Spring 2014/Spring 2017
Land Manager: Managed all land-related issues for new drills & workovers & negotiated acquisitions/divestitures.
 - Performed all necessary, in-house land tasks.

- ⇒ J Bar Cane, Inc., Santa Fe, NM Summer 2011/Spring 2014
Field Landman: Run title and prepare detailed HBP and mineral ownership reports efficiently and accurately.
 - Performed title services on federal, state and fee lands.
 - Completed several large, in-house due diligence projects.

- ⇒ Sullivan Consulting, Norman, OK Spring 2011/Summer 2011
Field Landman: Ran title and prepared both detailed and cursory ownership reports.
 - Maintaining current knowledge of state statutes and case law affecting title ownership and the oil and gas industry in Oklahoma.

- ⇒ Digital Land Consultants, Edmond, OK Winter 2009/Spring 2011
Field Landman: Ran title and prepared both detailed and cursory HBP and mineral ownership reports.
 - Managing other landmen, as needed, to ensure quality and timeliness of ownership reports.

- ⇒ Arrow Energy Land Services, Dallas, TX Fall 2008/Winter 2008
Field Landman: Ran title, prepared mineral ownership reports, and performed lease checks in East Texas.

— EDUCATION —

Juris Doctorate, May 2008
Washburn University School of Law

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Bachelor of Arts, May 2005
Washington University in St Louis

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C1
Submitted by: Redwood Operating LLC
Hearing Date: April 7, 2022
Case Nos. 22627-22628

District I

1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III

1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised August 1,
2011

Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 51120	³ Pool Name Redlake; Glorieta-Yeso
⁴ Property Code 329490	⁵ Property Name KAISER 18	⁶ Well Number 1H
⁷ OGRID No. 330211	⁸ Operator Name REDWOOD OPERATING LLC	⁹ Elevation 3288.7

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	18	18 S	27 E		1950	NORTH	2008	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	13	18 S	26 E		1650	NORTH	1	WEST	EDDY

¹² Dedicated Acres 200	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Delilah Flores</i> 7/2/2021</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address <i>delilah@mec.com</i></p>			
<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>NOVEMBER 12, 2020</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: <i>William F. Jaramilla</i></p> <p>Certificate Number: <i>12797</i></p>			

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C2
Submitted by: Redwood Operating LLC
Hearing Date: April 7, 2022
Case Nos. 22627-22628

District I

1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III

1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised August 1,
2011

Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 51120		³ Pool Name Red Lake; Glorieta-Yeso	
⁴ Property Code		⁵ Property Name KAISER 18			⁶ Well Number 4H
⁷ OGRID No. 330211		⁸ Operator Name REDWOOD OPERATING LLC			⁹ Elevation 3289.8

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	18	18 S	27 E		2010	NORTH	2008	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	13	18 S	26 E		2310	NORTH	1	WEST	EDDY

¹² Dedicated Acres 200.86	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>NW CORNER SEC. 13 LAT. = 32.7551551°N LONG. = 104.3439789°W NMSP EAST (FT) N = 638457.46 E = 538064.84</p> <p>N/4 CORNER SEC. 13 LAT. = 32.7552253°N LONG. = 104.3352170°W NMSP EAST (FT) N = 638482.83 E = 540758.42</p> <p>NW CORNER SEC. 18 LAT. = 32.7552947°N LONG. = 104.3264684°W NMSP EAST (FT) N = 638508.14 E = 543447.93</p> <p>NE CORNER SEC. 18 LAT. = 32.7550455°N LONG. = 104.3091549°W NMSP EAST (FT) N = 638418.25 E = 548770.45</p>		<p>¹⁶ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <i>Jerry W. Sherrell</i> Date: 11/30/2020 Printed Name: Jerry W. Sherrell E-mail Address: jerrysempc.com</p>	
<p>LAST TAKE POINT 2310' FNL, 100' FNL LAT. = 32.7488099°N LONG. = 104.3436124°W NMSP EAST (FT) N = 636148.99 E = 538177.27</p> <p>FIRST TAKE POINT 2310' FNL, 1220' FNL LAT. = 32.7488903°N LONG. = 104.3225913°W NMSP EAST (FT) N = 636178.24 E = 544640.06</p> <p>BOTTOM OF HOLE LAT. = 32.7488073°N LONG. = 104.3439344°W NMSP EAST (FT) N = 636148.05 E = 538078.30</p> <p>NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83). LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD83). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE.</p>		<p>¹⁷ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>NOVEMBER 12, 2020</p> <p>Date of Survey: _____</p> <p>Signature and Seal of Professional Surveyor: <i>William F. Jaramila</i> Certificate Number: 12797 EXPIRATION DATE: 12/31/2023 STATE NO. 8643</p>	

Case No. 22627

Plat of Unitized Area covering the
 S2N2-Section 13, Township 18 South, Range 26 East, NMPM
 SWNW of Section 18, Township 18 South, Range 26 East, NMPM
 Eddy County, New Mexico

Kaiser 18 #1H

<u>TRACT NO. 1</u> Fee Leases Vinnie Leavitt, etal Pecos Oil & Gas 100%	<u>TRACT NO. 2</u> Fee Leases Vinnie Leavitt, etal Pecos Oil & Gas 100%	<u>TRACT NO. 3</u> Fee Leases Vinnie Leavitt, etal Pecos Oil & Gas 100%	<u>TRACT NO. 4</u> Fee Leases Carl & Pauline Mock, etal Pecos Oil & Gas 100%	<u>TRACT NO. 5</u> Fee Leases Carl & Pauline Mock, etal Pecos Oil & Gas 100%			
13				18			
T18S-R26E				T18S-R27E			

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. C3
 Submitted by: Redwood Operating LLC
 Hearing Date: April 7, 2022
 Case Nos. 22627-22628

Exhibit C-3
Kaiser 18 #1H
Ownership Schedule

Name	Interest Type	Working Interest	Fee Mineral
Tract 1 - S2NW4 Section 13, T18S-R26E - 80 acres			
Pecos Oil & Gas LLC	Working Interest	1.00000000	
Ann Landrith Holdings LLC	Fee Mineral		0.66666667
Roscommon LLC	Fee Mineral		0.16666667
AmeriPermian Holdings LLC	Fee Mineral		0.16666667
Total:		1.00000000	1.00000000
Tract 2 - SW4NE4 Section 13, T18S-R26E - 40 acres			
Pecos Oil & Gas LLC	Working Interest	1.00000000	
Ann Landrith Holdings LLC	Fee Mineral		0.66666667
Roscommon LLC	Fee Mineral		0.16666667
AmeriPermian Holdings LLC	Fee Mineral		0.16666667
Total:		1.00000000	1.00000000
Tract 3 - SE4NE4 Section 13, T18S-R26E, SW4NW4 Section 18, T18S-R27E - 80 acres			
Pecos Oil & Gas LLC	Working Interest	1.00000000	
Robert H Henry			0.33333333
Jefferson Law Firm PLLC			0.33333333
Emmerson Family LLC			0.16666667
Teresa Hume-Burtis, Trustee			0.16666667
Total:		1.00000000	1.00000000
Owners to be Pooled in 200.00 acre spacing unit			
Ann Landrith Holdings LLC	Fee Mineral		0.05
Roscommon LLC	Fee Mineral		0.0125
AmeriPermian Holdings LLC	Fee Mineral		0.0125
Total:			0.075
Owners NOT being Pooled			
Pecos Oil & Gas LLC	Working Interest	1.00000000	
Robert H Henry	Fee Mineral		0.016667
Jefferson Law Firm PLLC	Fee Mineral		0.016667
Emmerson Family LLC	Fee Mineral		0.008333
Teresa Hume-Burtis, Trustee	Fee Mineral		0.008333
Total:		1	0.05
Total Working & Mineral Interest:		1.00000000	0.12500000

Case No. 22628

Plat of Unitized Area covering the
S2N2-Section 13, Township 18 South, Range 26 East, NMPM
SWNW of Section 18, Township 18 South, Range 26 East, NMPM
Eddy County, New Mexico

Kaiser 18 #4H

<u>TRACT NO. 1</u> Fee Leases Vinnie Leavitt, etal Pecos Oil & Gas, etal 100%	<u>TRACT NO. 2</u> Fee Leases Vinnie Leavitt, etal Pecos Oil & Gas, etal 100%	<u>TRACT NO. 3</u> Fee Leases Vinnie Leavitt, etal Pecos Oil & Gas, etal 100%	<u>TRACT NO. 4</u> Fee Leases Carl & Pauline Mock, etal Pecos Oil & Gas, etal 100%	<u>TRACT NO. 5</u> Fee Leases Carl & Pauline Mock, etal Pecos Oil & Gas, etal 100%			
13				18			
T18S-R26E				T18S-R27E			

Exhibit C-3
Kaiser 18 #4H
Ownership Schedule

Name	Interest Type	Working Interest	Fee Mineral
Tract 1 - S2NW4 Section 13, T18S-R26E - 80 acres			
Pecos Oil & Gas LLC	Working Interest	0.85733910	
Sabinal Energy Operating LLC	Working Interest	0.07488080	
Hoya Energy LP	Working Interest	0.06778010	
Ann Landrith Holdings LLC	Fee Mineral		0.66666667
Roscommon LLC	Fee Mineral		0.16666667
AmeriPermian Holdings LLC	Fee Mineral		0.16666667
Total:		1.00000000	1.00000000
Tract 2 - SW4NE4 Section 13, T18S-R26E - 40 acres			
Pecos Oil & Gas LLC	Working Interest	0.76526082	
Sabinal Energy Operating LLC	Working Interest	0.05760063	
Hoya Energy LP	Working Interest	0.05213855	
Norwood Oil Company	Working Interest	0.12500000	
Ann Landrith Holdings LLC	Fee Mineral		0.66666667
Roscommon LLC	Fee Mineral		0.16666667
AmeriPermian Holdings LLC	Fee Mineral		0.16666667
Total:		1.00000000	1.00000000
Tract 3 - SE4NE4 Section 13, T18S-R26E - 40 acres			
Pecos Oil & Gas LLC	Working Interest	0.89026082	
Sabinal Energy Operating LLC	Working Interest	0.05760063	
Hoya Energy LP	Working Interest	0.05213855	
Robert H Henry			0.33333333
Jefferson Law Firm PLLC			0.33333333
Emmerson Family LLC			0.16666667
Teresa Hume-Burtis, Trustee			0.16666667
Total:		1.00000000	1.00000000
Tract 4 - SW4NW4 Section 18, T18S-R27E - 40 acres			
Pecos Oil & Gas LLC	Working Interest	1.00000000	
Robert H Henry			0.33333333
Jefferson Law Firm PLLC			0.33333333
Emmerson Family LLC			0.16666667
Teresa Hume-Burtis, Trustee			0.16666667
Total:		1.00000000	1.00000000
Owners to be Pooled in 200.00 acre spacing unit			
Ann Landrith Holdings LLC	Fee Mineral		0.05
Roscommon LLC	Fee Mineral		0.0125
AmeriPermian Holdings LLC	Fee Mineral		0.0125
Sabinal Energy Operating LLC	Working Interest	0.0529926	
Hoya Energy LP	Working Interest	0.0479674	
Norwood Oil Company	Working Interest	0.0250000	
Total:		0.1259600	0.075

Exhibit C-3
Kaiser 18 #4H
Ownership Schedule

Owners NOT being Pooled			
Pecos Oil & Gas LLC	Working Interest	0.8740400	
Robert H Henry	Fee Mineral		0.0166667
Jefferson Law Firm PLLC	Fee Mineral		0.0166667
Emmerson Family LLC	Fee Mineral		0.0083333
Teresa Hume-Burtis, Trustee	Fee Mineral		0.0083333
Total:		0.8740400	0.05
Total Working & Mineral Interest:		1.00000000	0.12500000

ORI Owners

Case 22627: Kaiser 18 #1H

Billy & Betty Norwood	PO Box 101 Malakoff TX	75148
Maroon Creek, LLC	PO Box 671 Snowmass CO	81615

Case 22628: Kaiser 18 #4H

Billy & Betty Norwood	PO Box 101 Malakoff TX	75148
Lenea F. Weatherford	5014 Sheri Midland TX	79707
Edward L. & Nicholi Joh	17910 Teri Spring TX	77379
R.K. Moore	5718 Parat West Benc WI	53095

AMENDMENT OF OIL, GAS AND MINERAL LEASE

STATE OF NEW MEXICO §
 §
 COUNTY OF EDDY §

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, reference is hereby made to that certain Oil, Gas and Mineral Lease (hereinafter referred to as the "Lease") dated January 12, 1954 by and between Walter S. Jones and wife, Catherine L. Jones, as Lessor, and Standard Oil Company of Texas, as Lessee, which Lease is recorded in Volume 59, Page 499, of the Oil and Gas Records of Eddy County, New Mexico, covering the following described lands in Eddy County, New Mexico, to wit:

Township 18 South, Range 26 East, N.M.P.M.
 Section 13: NW/4, W/2NE/4
 Section 14: E/2NE/4, Parts of the W2NE of Section 14 as described
 by Metes & Bounds

WHEREAS, PECOS OIL & GAS, LLC, whose address is 1455 West Loop South, Suite 230, Houston, TX 77027; SABINAL ENERGY OPERATING, LLC, whose address 1780 Hughes Landing BLVD, Suite 1200, The Woodlands, TX 77380; and 1789 Minerals Fund II, LP d.b.a HOYA ENERGY LP whose address is 26203 Monarch Meadow, Katy, TX (collectively known as "Lessees") are the current owners of the Lease.

WHEREAS, it is the desire of Lessees and Ann Landrith Holdings, LLC, whose address is 8252 Soth 72nd E. Ave, Tulsa, OK 74133, as successor(s), and/or assign(s) of the original Lessor (hereinafter referred to as the "Lessor"), to amend the Lease as set forth below.

NOW THEREFORE, for adequate consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, the undersigned do hereby delete the Pooling Clause of the lease in its entirety and substitute therefor the following, to wit:

4. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well shall not exceed 40 acres plus a maximum acreage tolerance of 10%, and for a gas well shall not exceed 640 acres plus a maximum acreage tolerance of 10% provided that a larger unit may be formed for an oil well or gas well or horizontal oil or gas well to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental or regulatory authority having jurisdiction to do so. The term "horizontal oil or gas well" means an oil or gas well with a directional well bore with one or more laterals that extend a minimum of one hundred (100) feet horizontally in the target zone. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. C4

Submitted by: Redwood Operating LLC

Hearing Date: April 7, 2022

Case Nos. 22627-22628

obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental or regulatory authority having jurisdiction, or to conform to any productive acreage determination made by such governmental or regulatory authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of the revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

Except as expressly amended herein, the Lease is and shall remain in full force and effect in accordance with and subject to all other terms and provisions as originally stated therein, and the undersigned do hereby ratify, adopt, confirm and revive the Lease, as hereby amended, as a valid and subsisting Lease, and the Lessor does hereby lease, grant, demise and let unto Lessor, the land described above, subject to and in accordance with all of the terms and provision of said Lease as hereby amended.

This agreement shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, legal representatives, successors and assigns.

This agreement may be executed in multiple counterparts, each of which when so executed shall be deemed an original, and all such counterparts, when taken together, shall constitute one and the same instrument. For recordation purposes, the separate signature pages and acknowledgements may be affixed to the body of one original instrument without the necessity of recording each separate counterpart in its entirety.

EXECUTED on the respective dates of the acknowledgements below, but effective for all purposes as of January 12, 1954.

LESSORS

ANN LANDRITH HOLDINGS LLC

By: _____

Title: _____

LESSEES

PECOS OIL & GAS, LLC

By: _____

Title: _____

SABINAL ENERGY OPERATING, LLC

By: _____

Title: _____

HOYA ENERGY LP

By: _____

Title: _____

AMENDMENT OF OIL, GAS AND MINERAL LEASE

STATE OF NEW MEXICO §
 §
 COUNTY OF EDDY §

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, reference is hereby made to that certain Oil, Gas and Mineral Lease (hereinafter referred to as the "Lease") dated January 12, 1954 by and between John Anton Leavitt and wife, Anna Louise Leavitt, as Lessor, and Standard Oil Company of Texas, as Lessee, which Lease is recorded in Volume 60, Page 1, of the Oil and Gas Records of Eddy County, New Mexico, covering the following described lands in Eddy County, New Mexico, to wit:

Township 18 South, Range 26 East, N.M.P.M.
 Section 13: NW/4, W/2NE/4
 Section 14: E/2NE/4, Parts of the W2NE of Section 14 as described
 by Metes & Bounds

WHEREAS, PECOS OIL & GAS, LLC, whose address is 1455 West Loop South, Suite 230, Houston, TX 77027; SABINAL ENERGY OPERATING, LLC, whose address 1780 Hughes Landing BLVD, Suite 1200, The Woodlands, TX 77380; and 1789 Minerals Fund II, LP d.b.a HOYA ENERGY LP whose address is 26203 Monarch Meadow, Katy, TX (collectively known as "Lessees") are the current owners of the Lease.

WHEREAS, it is the desire of Lessees and Ann Landrith Holdings, LLC, whose address is 8252 Soth 72nd E. Ave, Tulsa, OK 74133, as successor(s), and/or assign(s) of the original Lessor (hereinafter referred to as the "Lessor"), to amend the Lease as set forth below.

NOW THEREFORE, for adequate consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, the undersigned do hereby delete the Pooling Clause of the lease in its entirety and substitute therefor the following, to wit:

4. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well shall not exceed 40 acres plus a maximum acreage tolerance of 10%, and for a gas well shall not exceed 640 acres plus a maximum acreage tolerance of 10% provided that a larger unit may be formed for an oil well or gas well or horizontal oil or gas well to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental or regulatory authority having jurisdiction to do so. The term "horizontal oil or gas well" means an oil or gas well with a directional well bore with one or more laterals that extend a minimum of one hundred (100) feet horizontally in the target zone. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the

obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental or regulatory authority having jurisdiction, or to conform to any productive acreage determination made by such governmental or regulatory authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of the revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

Except as expressly amended herein, the Lease is and shall remain in full force and effect in accordance with and subject to all other terms and provisions as originally stated therein, and the undersigned do hereby ratify, adopt, confirm and revive the Lease, as hereby amended, as a valid and subsisting Lease, and the Lessor does hereby lease, grant, demise and let unto Lessor, the land described above, subject to and in accordance with all of the terms and provision of said Lease as hereby amended.

This agreement shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, legal representatives, successors and assigns.

This agreement may be executed in multiple counterparts, each of which when so executed shall be deemed an original, and all such counterparts, when taken together, shall constitute one and the same instrument. For recordation purposes, the separate signature pages and acknowledgements may be affixed to the body of one original instrument without the necessity of recording each separate counterpart in its entirety.

EXECUTED on the respective dates of the acknowledgements below, but effective for all purposes as of January 12, 1954.

LESSORS

ANN LANDRITH HOLDINGS LLC

By: _____

Title: _____

LESSEES

PECOS OIL & GAS, LLC

By: _____

Title: _____

SABINAL ENERGY OPERATING, LLC

By: _____

Title: _____

HOYA ENERGY LP

By: _____

Title: _____

AMENDMENT OF OIL, GAS AND MINERAL LEASE

STATE OF NEW MEXICO §
 §
 COUNTY OF EDDY §

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, reference is hereby made to that certain Oil, Gas and Mineral Lease (hereinafter referred to as the "Lease") dated January 12, 1954 by and between Vinnie L. Leavitt, a feme sole, as Lessor, and Standard Oil Company of Texas, as Lessee, which Lease is recorded in Volume 59, Page 495, of the Oil and Gas Records of Eddy County, New Mexico, covering the following described lands in Eddy County, New Mexico, to wit:

Township 18 South, Range 26 East, N.M.P.M.
 Section 13: NW/4, W/2NE/4
 Section 14: E/2NE/4, Parts of the W2NE of Section 14 as described
 by Metes & Bounds

WHEREAS, PECOS OIL & GAS, LLC, whose address is 1455 West Loop South, Suite 230, Houston, TX 77027; SABINAL ENERGY OPERATING, LLC, whose address 1780 Hughes Landing BLVD, Suite 1200, The Woodlands, TX 77380; and 1789 Minerals Fund II, LP d.b.a HOYA ENERGY LP whose address is 26203 Monarch Meadow, Katy, TX (collectively known as "Lessees") are the current owners of the Lease.

WHEREAS, it is the desire of Lessees and ROSCOMMON LLC, whose address is 3028 Quail Creek Road, Oklahoma City, OK 73120, and AMERIPERMIAN HOLDINGS LLC, whose address is P.O. Box 1723, Midland, TX 79702, as successor(s), and/or assign(s) of the original Lessor (hereinafter collectively referred to as the "Lessor"), to amend the Lease as set forth below.

NOW THEREFORE, for adequate consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, the undersigned do hereby delete the Pooling Clause of the lease in its entirety and substitute therefor the following, to wit:

4. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well shall not exceed 40 acres plus a maximum acreage tolerance of 10%, and for a gas well shall not exceed 640 acres plus a maximum acreage tolerance of 10% provided that a larger unit may be formed for an oil well or gas well or horizontal oil or gas well to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental or regulatory authority having jurisdiction to do so. The term "horizontal oil or gas well" means an oil or gas well with a directional well bore with one or more laterals that extend a minimum of one hundred (100) feet horizontally in the target zone. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not

exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental or regulatory authority having jurisdiction, or to conform to any productive acreage determination made by such governmental or regulatory authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of the revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

Except as expressly amended herein, the Lease is and shall remain in full force and effect in accordance with and subject to all other terms and provisions as originally stated therein, and the undersigned do hereby ratify, adopt, confirm and revive the Lease, as hereby amended, as a valid and subsisting Lease, and the Lessor does hereby lease, grant, demise and let unto Lessor, the land described above, subject to and in accordance with all of the terms and provision of said Lease as hereby amended.

This agreement shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, legal representatives, successors and assigns.

This agreement may be executed in multiple counterparts, each of which when so executed shall be deemed an original, and all such counterparts, when taken together, shall constitute one and the same instrument. For recordation purposes, the separate signature pages and acknowledgements may be affixed to the body of one original instrument without the necessity of recording each separate counterpart in its entirety.

EXECUTED on the respective dates of the acknowledgements below, but effective for all purposes as of January 12, 1954.

LESSORS

ROSCOMMON LLC

By: _____

Title: _____

AMERIPERMIAN HOLDINGS LLC

By: _____

Title: _____

LESSEES

PECOS OIL & GAS, LLC

By: _____

Title: _____

SABINAL ENERGY OPERATING, LLC

By: _____

Title: _____

HOYA ENERGY LP

By: _____

Title: _____

April 4, 2022

Via Email & Federal Express

Overton Energy Investments VI, LLC
12335 Kingside Lane #366
Houston, TX 77024

Attn: Land Department

RE: **Horizontal Well Proposal – Kaiser 18 #4H (API #30-015-47735)**
SHL: 2010' FNL & 2008' FWL, Section 18, Township 18 South, Range 27 East
BHL: 2310' FNL & 1' FWL, Section 13, Township 18 South, Range 26 East
Eddy County, New Mexico

Dear Working Interest Owner:

Redwood Operating LLC proposes to drill and complete the referenced horizontal well in the S2N2 of Section 13-T18S-R26E, SW4NW4 Section 18-T18S-R27E, at an approximate total vertical depth of 3,423' and a total measured depth of 10,455' in the Yeso Formation. Our AFE (in duplicate) is enclosed for your review and approval as well as a new Operating Agreement covering the spacing unit for this well.

Please provide your election on the following page within thirty (30) days. If you elect to participate, please also return a signed AFE & Operating Agreement signature page to the undersigned's attention at the letterhead address, via email to deriksmith@redwoodoperating.com or by facsimile to 575-748-7374. Please keep the other set for your records.

If you do not wish to make an election in this well, but would like to divest of your interest, please mark the appropriate election on the attached election page and return to my attention in the same manner as above.

Should you have questions of a technical nature, please contact Lee Livingston by email at leel@mec.com or by calling (575) 748-1288. I can also be reached at the same number.

Sincerely,

Redwood Operating LLC

Derik Smith
Landman

/ss

Enclosures

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C5
Submitted by: Redwood Operating LLC
Hearing Date: April 7, 2022
Case Nos. 22627-22628

Horizontal Well Proposal
Kaiser 18 #4H (API #30-015-47735)
S2N2 Sec. 13-T18S-R26E, SW4NW4 Sec. 18-T18S-R27E
Eddy County, New Mexico
March 3, 2022

_____ Elect to participate in the drilling and completion of the Kaiser 18 #4H.
_____ Elect to go non-consent in the drilling and completion of the Kaiser 18 #4H.
_____ Elect to receive an offer on our interest.

Agreed to and accepted this _____ day of _____, 2022.

Company: _____

By: _____

Printed Name: _____

Title: _____

Redwood Operating, LLC

AUTHORIZATION FOR EXPENDITURE

AFE #1034304HND

Kaiser 18 #4H

MD: 10455' TVD: 3,223'

SHL: 2010' FNL & 2,008' FWL Sec 18-T18S-R27E

BHL 2310' FNL & 1' FWL Sec 13-T18S-R26E

Sec 18-T18S-R27E Eddy County, New Mexico

Code	Drilling Intangible	Dry Hole Without Pipe	Completed Well	Actual Cost
502-015	Adminstrative Overhead Drilling	\$3,400.00	\$0.00	\$3,400.00
502-020	Location, Roads, Pits, & Damages	\$86,900.00	\$0.00	\$86,900.00
502-100	Footage	\$0.00	\$0.00	\$0.00
502-110	Daywork 17 days \$15,300/day	\$353,800.00	\$0.00	\$353,800.00
502-114	Rental Equipment Surface	\$102,716.00	\$0.00	\$102,716.00
502-115	Rental Equipment SubSurface	\$28,450.00	\$0.00	\$28,450.00
502-116	Bits	\$38,400.00	\$0.00	\$38,400.00
502-120	Water-Drilling	\$229,950.00	\$0.00	\$229,950.00
502-125	Mud Materials	\$63,000.00	\$0.00	\$63,000.00
502-200	Cement-- Surface and Intermediate	\$9,225.00	\$0.00	\$9,225.00
502-201	Cement-- Production	\$0.00	\$88,972.05	\$88,972.05
502-204	Fuel & Power	\$51,850.00	\$0.00	\$51,850.00
502-205	Supplies & Misc.	\$5,000.00	\$0.00	\$5,000.00
502-500	Testing, Coring, & Mud Logging	\$32,933.25	\$0.00	\$32,933.25
502-600	Open Hole Logs/Wireline	\$0.00	\$0.00	\$0.00
502-650	Directional Drillers	\$92,800.00	\$0.00	\$92,800.00
502-681	Supervision	\$25,500.00	\$0.00	\$25,500.00
502-682	Trailer Rentals & Other Camp Equip.	\$13,345.00	\$0.00	\$13,345.00
175-600	Land, Legal, Regulatory, Permits	\$13,800.00	\$0.00	\$13,800.00
	Miscellaneous and Contingency	\$113,386.93	\$0.00	\$113,386.93

Code	Total Drilling Intangibles	\$1,264,456.18	\$88,972.05	\$1,353,428.23
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Completion Intangibles

502-015	Adminstrative Overhead Completion	\$0.00	\$2,600.00	\$2,600.00
502-021	Battery Construction-Dirt Work,Etc	\$0.00	\$10,000.00	\$10,000.00
502-103	Completion Unit	\$0.00	\$66,000.00	\$66,000.00
502-210	Fuel,Water,Power	\$0.00	\$410,500.00	\$410,500.00
502-350	Completions Surface Rentals	\$0.00	\$198,838.00	\$198,838.00
502-360	Completions SubSurface Rentals	\$0.00	\$134,441.00	\$134,441.00
502-601	Perforating and Logging	\$0.00	\$142,050.00	\$142,050.00
502-610	Frac and/or Acid Treatment	\$0.00	\$1,735,748.00	\$1,735,748.00
502-680	Professional Services	\$0.00	\$37,500.00	\$37,500.00
502-700	Miscellaneous Services	\$0.00	\$5,000.00	\$5,000.00
	Contingency	\$0.00	\$274,007.70	\$274,007.70

Code	Total Completion Intangibles	\$0.00	\$3,016,684.70	\$3,016,684.70
	Total Intangibles	\$1,264,456.18	\$3,105,656.75	\$4,370,112.93

Drilling and Completion Tangibles

170-105	Surface Casing 1230'	9 5/8" 36# J-55 ST&C	\$0.00	\$0.00	\$0.00
170-110	Intermediate Casing 0 0		\$67,583.73	\$0.00	\$67,583.73
170-115	Production Casing 10455	(2,500" to 3,600") = 1,10	\$0.00	\$369,274.72	\$369,274.72
170-115	Production Liner 0 0		\$0.00	\$0.00	\$0.00
170-120	Production Tubing 3,300'	2 7/8" J-55 tbg (Coated	\$0.00	\$40,537.82	\$40,537.82
170-125	Wellhead Equipment-- Long String		\$0.00	\$18,500.00	\$18,500.00
170-126	Wellhead Equipment-- Surface & Intermediate		\$2,500.00	\$0.00	\$2,500.00
170-130	Floating Equipment-- Long String		\$0.00	\$53,600.00	\$53,600.00
170-131	Floating Equipment-- Surface & Intermediate		\$1,700.00	\$0.00	\$1,700.00
170-135	Rods		\$0.00	\$0.00	\$0.00
170-140	Subsurfaces Equipment (Packers Plus)		\$0.00	\$85,000.00	\$85,000.00
170-145	Linepipe		\$0.00	\$96,500.00	\$96,500.00
170-150	Tanks,Treater,Separators and Battery Construction		\$0.00	\$361,392.50	\$361,392.50
170-155	Pumping Unit And Engine		\$0.00	\$0.00	\$0.00
170-160	Other Miscellaneous Equipment		\$0.00	\$75,000.00	\$75,000.00
	Contingency		\$7,178.37	\$109,980.50	\$117,158.88

Total Tangible	\$78,962.11	\$1,209,785.54	\$1,288,747.65
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TOTAL WELL COSTS	\$1,343,418.28	\$4,315,442.29	\$5,658,860.57
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Drilling Prepared By: Jim Krogman 1/4/2022

Completion Prepared By: Michael Gonzales 1/5/2022

Total Contingency: \$504,553.50

Total w/o Contingency: \$5,154,307.07

Interest Owner: Pecos Oil & Gas LLC

Interest: 0.87404

Approved By: _____

Date: _____

	1st Contact	Notes
Hoya Energy LP	3/4/2022	Operating Agreement & well proposal sent via FedEx
Sabinal Energy Operating LLC	3/4/2022	Operating Agreement & well proposal sent via FedEx
Norwood Oil Co	3/4/2022	Operating Agreement & well proposal sent via USPS
	2nd Contact	
Hoya Energy LP	3/15/2022	Email requesting more information - information provided
Sabinal Energy Operating LLC	3/28/2022	Email stating they are working through proposal; will be in touch
Norwood Oil Co	3/19/2022	Written response requesting an offer
	Last Contact	
Hoya Energy LP	3/29/2022	Email requesting more information - information provided
Sabinal Energy Operating LLC	4/1/2022	Email requesting more information - information provided
Norwood Oil Co	3/30/2022	Offer sent for interest

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C6
Submitted by: Redwood Operating LLC
Hearing Date: April 7, 2022
Case Nos. 22627-22628

REDWOOD OPERATING CURATIVE CALL LOG**Kaiser 18 Wells****Ann Landrith Holdings, LLC**

2/18/2022 – Sent an email to Carl Hansen proposing an Amendment of Oil and Gas Lease to amend the pooling provision to allow for horizontal well pooling.

2/21/2022 – Received email from Adam Leavitt saying he is the manager who handles Ann Landrith Holdings LLC's interest. He said he was not willing to sign an amendment without an increase in royalty.

3/9/2022 – Sent Adam an email asking him if Ann Landrith Holdings would be willing to execute a Voluntary Pooling Agreement on a well-by-well basis. No response.

3/16/2022 – Sent Adam an email stating the client was wanting to get a couple of wells drilled, and there would have to be a consensus needed with many working interest owners, therefore the increase in royalty would not be an option. Let him know the client would be willing to pay cash consideration per net mineral acre for the execution of the amendment.

3/16/2022 – Received follow up email from Adam saying please allow him to ponder, and he would reach out with any questions.

3/22/2022 – I spoke on the phone with Adam and his concern was that by executing the amendment, he would be giving up all depths and it would not be depth specific.

3/23/2022 – Sent Adam an email letting him know the amendment would pertain to all depths. I sent him revised amendments removing some superfluous language in the pooling provision, revisions to reflect just one Lessee, as well as correct an inaccurate legal description.

3/24/2022 – Received an email response from Adam saying indeed he was willing to work with us on a well-by-well basis. He asked if we could extend the horizontal well in to Section 14 and asked if Pecos owned any of Ann Landrith Holdings LLC's leasehold interest in Section 14. Adam also wanted to make sure Redwood/Pecos was aware that the LLC had surface interests also.

3/25/2022 – Responded to Adam's email answering his questions and concerns.

3/28/2022 – Emailed Adam to confirm receipt of the last email responding to his concerns. Adam responded saying he did receive the email and would contemplate and get back with me soon.

3/29/2022 – Emailed Adam the revised copies of three amendments now including Section 14 for his review and execution.

3/30/2022 – Adam responded to my email confirming receipt and wanting clarification on depth restrictions, expanding leasehold, changes in royalty and bonus consideration.

AmeriPermian Holdings, LLC

2/18/2022 – Emailed Jordan Peterson proposing an Amendment to Oil and Gas Lease to amend the pooling provision to allow for horizontal well pooling.

2/21/2022 – Jordan responded asking why Redwood was not listed on the amendment, and what relationship was there between the Lessees on the amendment and Redwood. I advised Jordan that Redwood was the Operator, not a current Lessee and therefore would not be the appropriate party to sign an Amendment of Oil and Gas Lease.

2/23/2022 – Jordan emailed saying after review of the amendment, it looks like the ability to pool has been expired for some time. Jordan explained with that being the case, in order for them to amend the lease they would need have the royalty clause amended to reflect a 25% royalty.

3/9/2022 – Emailed Jordan to see if AmeriPermian would be willing to execute a Voluntary Pooling Agreement on a well-by-well basis, letting him know the plan was to drill 2 wells in the coming few months.

3/9/2022 – Jordan responded via email saying they don't plan on signing any Voluntary Pooling Agreement or Amendment to the oil and gas lease without an amendment to the royalty.

3/17/2022 – Emailed Jordan letting him know that obtaining a consensus from all working interest owners involved prevents the increase in royalty from an option. I offered Jordan cash consideration per net mineral acre in order to get them to execute the amendment.

3/18/2022 – Jordan replied via email stating that after considering our offer, and he proposed a counteroffer. He said they plan on opposing the April 7th hearing if we can't resolve this issue before March 23rd.

3/25/2022 – Emailed Jordan letting him know when Pecos acquired this interest it was already overburdened, and they are not willing to take on any additional burdens. I let him know the client would be happy to review a cash counteroffer to their initial cash offer of cash consideration per net mineral acre for the execution of the amendment.

3/28/2022 – Jordan responded by email saying they would be agreeable to one of three options.

- 1.) AmeriPermian would like to participate in the development, and in any future development that occurs outside the terms of the oil and gas lease; or
- 2.) Client agrees to conveying an ORRI; or
- 3.) Amend the lease's pooling provision for a one-time cash consideration payment.

Roscommon, LLC

2/18/2022 – Emailed Terry Mangan proposing an Amendment to Oil and Gas Lease to amend the pooling provision to allow for horizontal well pooling.

2/23/2022 – Called and left a message on Terry Mangan's cell phone number to confirm receipt of amendment.

2/28/2022 – Called and left a message on Terry Mangan's cell phone number to confirm receipt of amendment and to see if he had any updates for me.

3/9/2022 – Emailed Roscommon asking if they would be willing to execute a Voluntary Pooling Agreement on a well by well basis, and letting them know the client was wanting to drill two wells in the coming few months.

3/14/2022 – Called and left a message on Terry Mangan's cell phone voicemail to confirm receipt and request an update.

3/17/2022 – Emailed Roscommon to let them know the client is willing to pay them cash consideration per net mineral acre in consideration for executing the amendment.

3/21/2022 – Called and left a voicemail for Terry to see if he had received our latest email and to see if he had any updates for us.

3/25/2022 – Called and left another message for Terry to confirm receipt of our latest email offer and to see if he had any questions or updates.

3/28/2022 – Emailed Roscommon to confirm receipt of the last email offer and to see if they had any updates on the execution of the amendment.

3/29/2022 – Pat Mangan responded saying they had received letters from Holland and Hart. Pat said since the hearing is coming up on April 7th, and then surmised that that an agreement to amend the lease was no longer required.

3/29/2022 – I responded to Pat letting her know that the client would like to resolve this issue in order to avoid having to go to hearing upon the drilling of all future wells. I explained the client is wanting to spud these wells in May, and if they go to hearing this may not be an option. I also sent them revised copies of the amendments to the leases covering their interest in Section 13 & 14, being all lands described under their lease.

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATIONS OF REDWOOD
OPERATING LLC FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

CASE NOS. 22627-22628

AFFIDAVIT OF CHARLES SADLER

Charles Sadler, of lawful age and being first duly sworn, declares as follows:

1. My name is Charles Sadler, and I work for Redwood Operating LLC, ("Redwood"), as a geologist. Redwood is the contract operator for Pecos Oil & Gas LLC, which is a working interest owner in the proposed horizontal spacing units in these cases.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology matters and my credentials as an expert petroleum geologist have been accepted by the Division and made a matter of record.

3. I am familiar with the applications filed by Redwood in these cases, and I have conducted a geologic study of the Yeso formation underlying the subject acreage.

4. In both cases, Redwood is targeting intervals within the Yeso formation.

5. **Redwood Exhibit D-1** is a project location map identifying the proposed horizontal well spacing unit in this case with a red box in the Northwest Shelf area of the Permian Basin.

6. **Redwood Exhibit D-2** is a zoomed in project locator map identifying Redwood's proposed Kaiser well spacing units outlined in yellow.

7. A depth severance in ownership exists in the Yeso formation within the proposed horizontal spacing units at 3,000 feet from the surface, as defined in the Kaiser

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: Redwood Operating LLC
Hearing Date: April 7, 2022
Case Nos. 22627-22628

B 18 F #8 Well (API No. 30-015-34630). Accordingly, Redwood seeks to pool only a portion of the Yeso formation in each case. In **Case No. 22627**, Redwood seeks to create a spacing unit from the top of the Yeso formation to a depth of 3,000 feet, as defined in the Kaiser B 18 F #8 Well. In **Case No. 22628**, Redwood seeks to create a spacing unit from 3,001 feet to the base of the Yeso formation.

8. **Redwood Exhibit D-3** is a project area and structure map that depicts the location of the proposed spacing unit with a yellow outline, the location of the proposed **Kaiser 18 #1H** well as a Paddock horizontal well, and the location of the proposed **Kaiser 18 #4H** well as a Blinebry horizontal well within the proposed spacing unit. Also marked on the map within a blue circle is the location of the Kaiser B 18 F #8 Well, which defines the location of the depth severance in this acreage. The exhibit includes a type log for the well that identifies the 3,000-foot depth severance, as well as the relative locations for the target intervals for the wells in each case.

9. **Redwood Exhibit D-4** includes the same base structure map as the previous exhibit that is prepared off the top of the Glorieta formation and that is representative of the target intervals within the Paddock and Blinebry zones. The proposed spacing unit acreage is identified with a yellow outline. The contour intervals are 10 feet. The structure maps shows that the Yeso formation gently dips to the southeast in this area. I do not observe any faulting, pinch outs, or other geologic impediments to developing the targeted intervals with horizontal wells in this area.

10. This exhibit also identifies the four wells penetrating the targeted intervals that I used to construct a structural cross-section from A to A' across the acreage. I used these well logs because they penetrate the targeted intervals and are of good quality. In my opinion, these well logs are representative of the geology in the area.

11. **Redwood Exhibit D-4** also includes a cross-section of the Yeso formation using the representative wells depicted on Exhibit D-4. It contains a gamma ray, resistivity, and porosity logs for each well. The target interval for the **Kaiser 18 #1H well** in **Case No. 22627** is identified in light blue shading as the Paddock target within the Yeso formation. The target interval for the **Kaiser 18 #4H well** in **Case No. 22628** is identified in light blue shading as the Blinbry target within the Yeso formation. The cross-section demonstrates that the targeted intervals within the Yeso formation extends across the proposed spacing units in each case.

12. In my opinion, the orientation of the wells is the preferred orientation for horizontal well development of the targeted interval in the Yeso formation in this area. This orientation will efficiently and effectively develop the subject acreage.

13. Based on my geologic study, the targeted interval within the Yeso formation underlying the subject area is suitable for development by horizontal wells and the tracts comprising the proposed spacing units will contribute more-or-less equally to the production from the wellbores.

14. In my opinion, the granting of Redwood's applications will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

15. **Redwood Exhibits D-1** through **D-4** were either prepared by me or compiled under my direction and supervision.

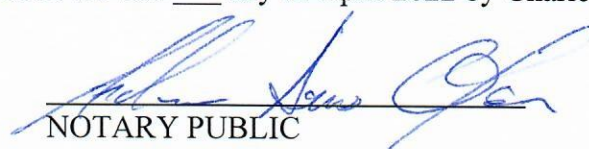
FURTHER AFFIANT SAYETH NOT.



CHARLES SADLER

STATE OF ARIZONA)
)
COUNTY OF MARICOPA)

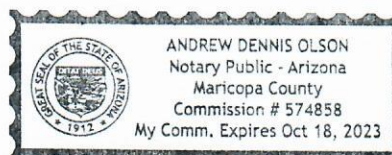
SUBSCRIBED and SWORN to before me this 1st day of April 2022 by Charles Sadler.



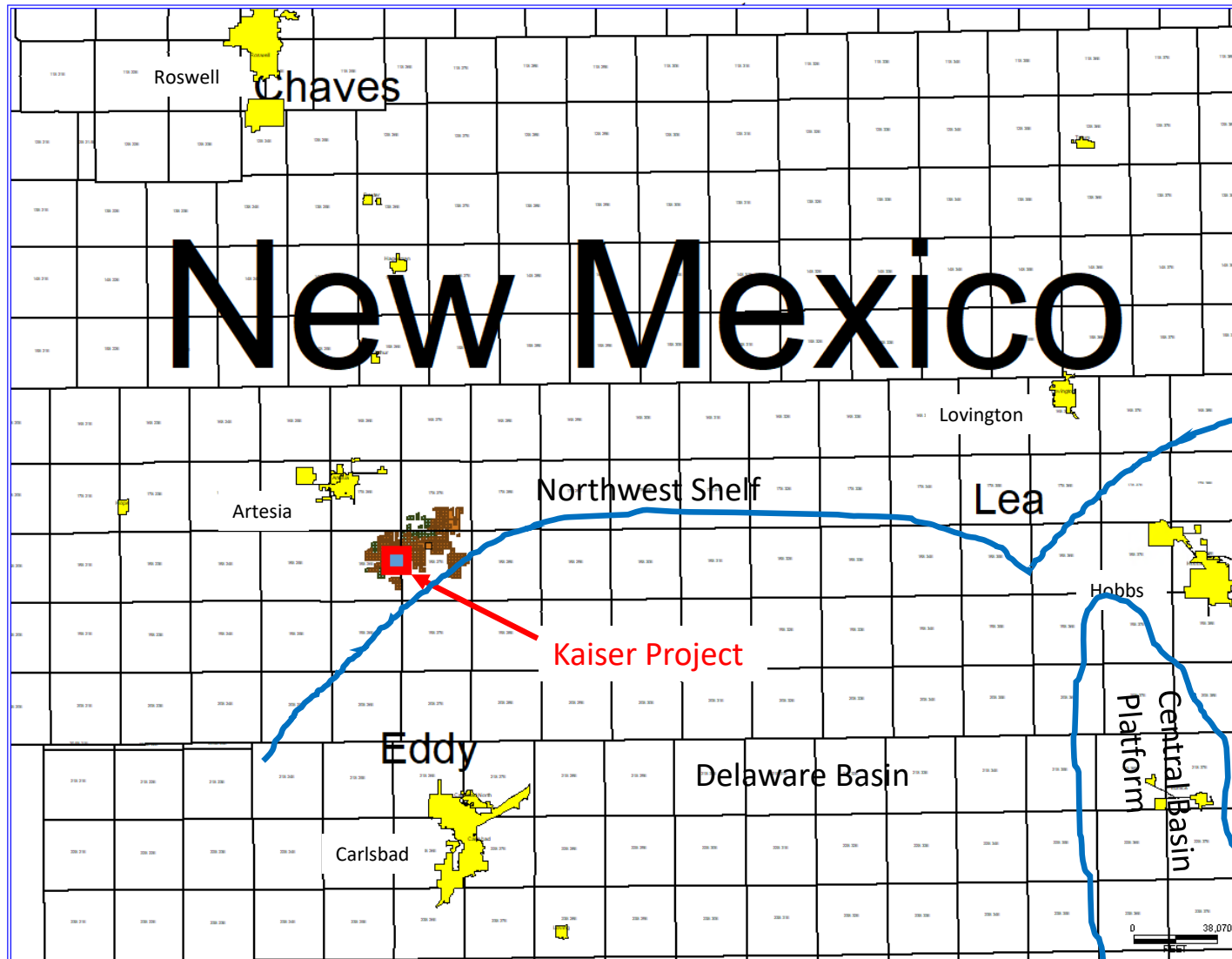
NOTARY PUBLIC

My Commission Expires:

10-18-2023

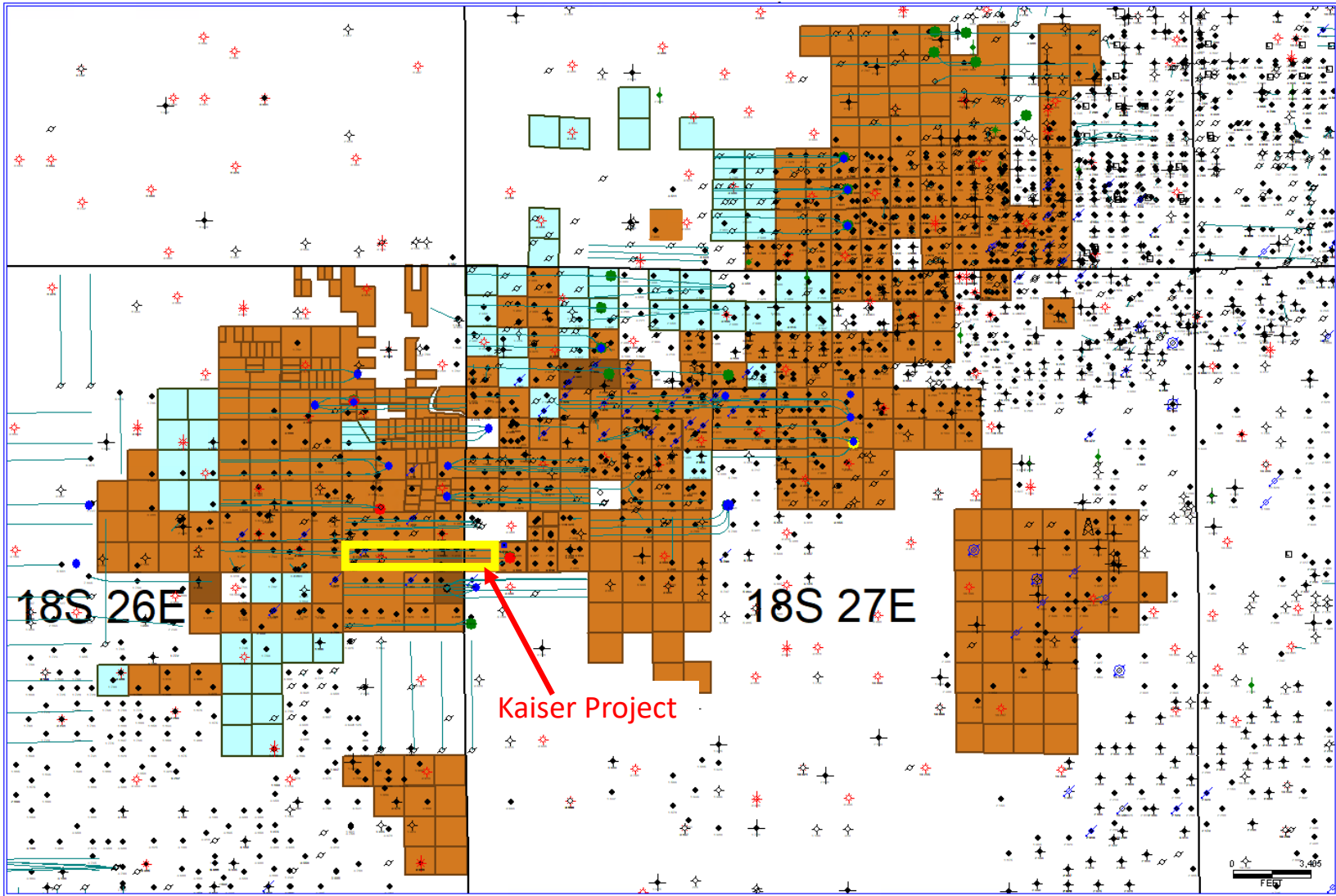


Kaiser Project Locator Map



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D1
 Submitted by: Redwood Operating LLC
 Hearing Date: April 7, 2022
 Case Nos. 22627-22628

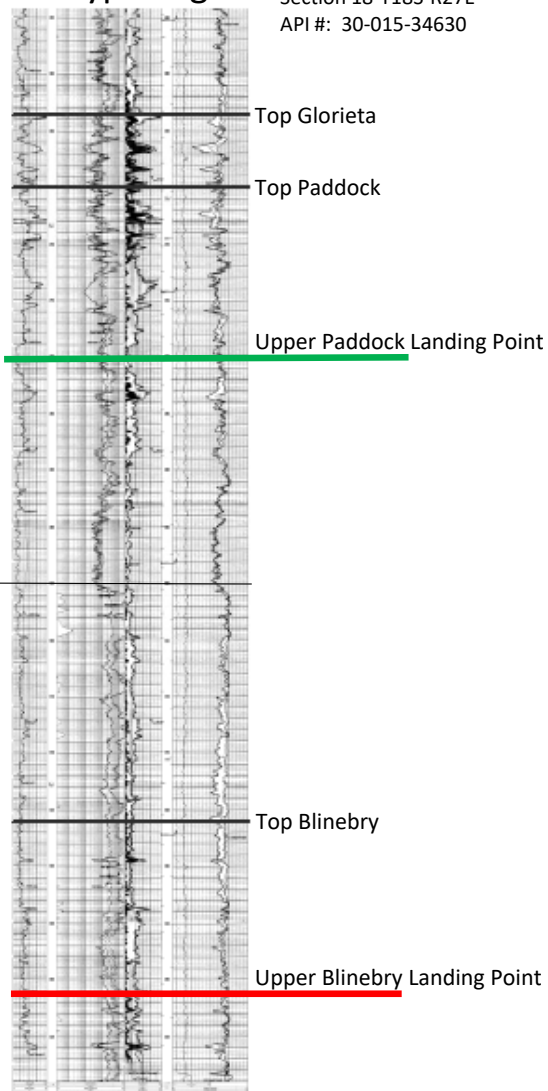
Redwood Operating Acreage Position



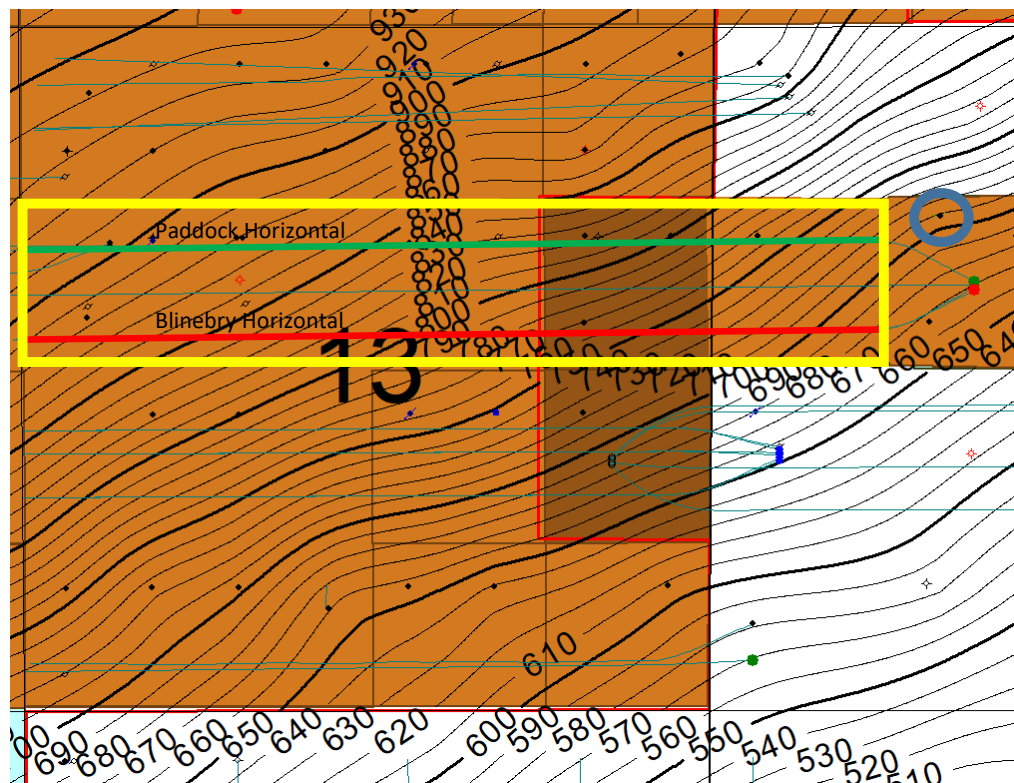
BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D2
 Submitted by: Redwood Operating LLC
 Hearing Date: April 7, 2022
 Case Nos. 22627-22628

Type Log

Kaiser B 18 F #8
1500' FNL & 1725' FWL
Section 18-T18S-R27E
API #: 30-015-34630



Kaiser Project Area Type Log/Structure Map

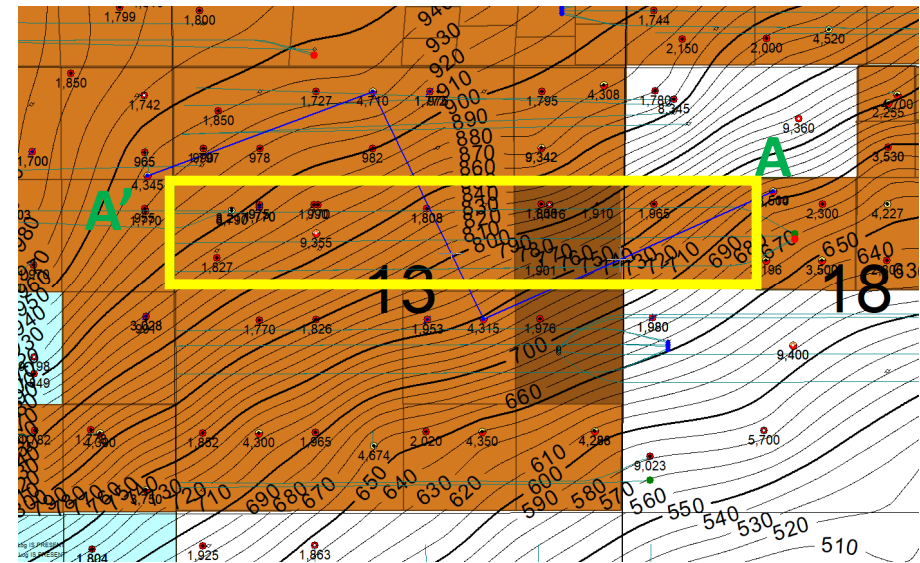
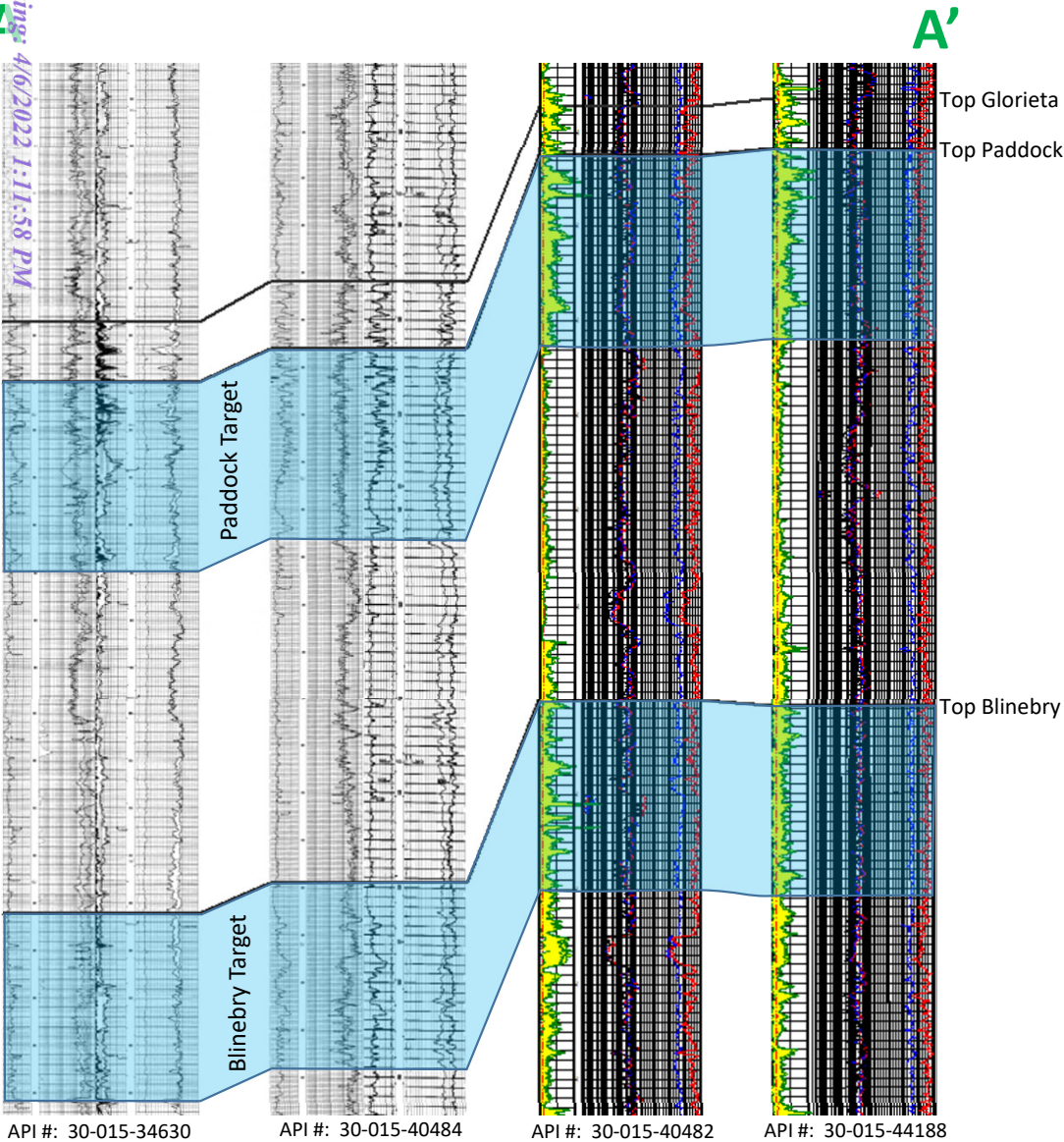


Glorieta Structure Map
CI: 10'

 Project Area

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D3
Submitted by: Redwood Operating LLC
Hearing Date: April 7, 2022
Case Nos. 22627-22628

Kaiser Project Structural Cross Section A-A'



Project Area

Glorieta Structure Map
CI: 10'

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D4
Submitted by: Redwood Operating LLC
Hearing Date: April 7, 2022
Case Nos. 22627-22628



Adam G. Rankin
Phone (505) 988-4421
agrankin@hollandhart.com

March 18, 2022

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Redwood Operating LLC for compulsory pooling, Eddy County, New Mexico: Kaiser 18 #1H well

Ladies & Gentlemen:

This letter is to advise you that Redwood Operating LLC has filed the enclosed application with the New Mexico Oil Conservation Division.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on April 7, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Derick Smith at (575) 627-3477 or dericksmith@redwoodoperating.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "A.G. Rankin".

Adam G. Rankin
ATTORNEY FOR REDWOOD OPERATING LLC

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska
Colorado
Idaho

Montana
Nevada
New Mexico

Utah
Washington, D.C.
Wyoming



Adam G. Rankin
Phone (505) 988-4421
 agrankin@hollandhart.com

March 18, 2022

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: VERTICAL OFFSETS IN POOL

Re: Application of Redwood Operating LLC for compulsory pooling, Eddy County, New Mexico: Kaiser 18 #1H well

Ladies & Gentlemen:

This letter is to advise you that Redwood Operating LLC has filed the enclosed application with the New Mexico Oil Conservation Division.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on April 7, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>.

Your interest is not being pooled by this application. You are receiving this notice because you own an interest in the Yeso formation that is not being included in the horizontal spacing unit. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Derick Smith at (575) 627-3477 or dsmith@elkhornlandandtitle.com.

Sincerely,

Adam G. Rankin
ATTORNEY FOR REDWOOD OPERATING LLC

T 505.988.4421 F 505.983.6043
 110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
 Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming



Adam G. Rankin
Phone (505) 988-4421
agrankin@hollandhart.com

March 18, 2022

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Redwood Operating LLC for compulsory pooling, Eddy County, New Mexico: Kaiser 18 #4H well

Ladies & Gentlemen:

This letter is to advise you that Redwood Operating LLC has filed the enclosed application with the New Mexico Oil Conservation Division.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on April 7, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Derick Smith at (575) 627-3477 or dericksmith@redwoodoperating.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "A. Rankin", with a long horizontal flourish extending to the right.

Adam G. Rankin
ATTORNEY FOR REDWOOD OPERATING LLC

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska
Colorado
Idaho

Montana
Nevada
New Mexico

Utah
Washington, D.C.
Wyoming

Redwood_Kaiser 18 1H Shallow
Case no. 22627 Postal Deliver Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765841871141	Billy & Betty Norwood	PO Box 1029	Malakoff	TX	75148-1029	Your item was picked up at the post office at 11:37 am on March 22, 2022 in MALAKOFF, TX 75148.
9414811898765841871189	Maroon Creek, LLC	PO Box 6759	Snowmass Village	CO	81615-6759	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765841871134	Ann Landrith Holdings, LLC	PO Box 3363	Tulsa	OK	74101-3363	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9414811898765841871172	Roscommon LLC	3028 Quail Creek Rd	Oklahoma City	OK	73120-1916	Your item was delivered to an individual at the address at 2:04 pm on March 22, 2022 in OKLAHOMA CITY, OK 73120.
9414811898765841871318	AmeriPermian Holdings LLC	1733 Woodstead Ct Ste 206	The Woodlands	TX	77380-3401	Your item was delivered to an individual at the address at 12:21 pm on March 22, 2022 in SPRING, TX 77380.

Redwood_Kaiser 18 1H Vertical Offset
Case no. 22627 Postal Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765841871356	Sabinal Energy Operating, LLC	1780 Hughes Landing Blvd Ste 1200	The Woodlands	TX	77380-4024	Your item has been delivered to an agent for final delivery in SPRING, TX 77380 on March 22, 2022 at 10:28 am.
9414811898765841871363	Hoya Energy LP	26203 Monarch Meadow Ct	Katy	TX	77494-0748	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765841871325	Norwood Oil Company	PO Box 1029	Malakoff	TX	75148-1029	Your item was picked up at the post office at 11:37 am on March 22, 2022 in MALAKOFF, TX 75148.

Redwood_Kaiser 18 4H
Case no. 22628 Postal Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765841871301	Sabinal Energy Operating, LLC	1780 Hughes Landing Blvd Ste 1200	The Woodlands	TX	77380-4024	Your item has been delivered to an agent for final delivery in SPRING, TX 77380 on March 22, 2022 at 10:28 am.
9414811898765841871028	AmeriPermian Holdings LLC	1733 Woodstead Ct Ste 206	The Woodlands	TX	77380-3401	Your item was delivered to an individual at the address at 12:21 pm on March 22, 2022 in SPRING, TX 77380.
9414811898765841871394	Hoya Energy LP	26203 Monarch Meadow Ct	Katy	TX	77494-0748	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765841871349	Norwood Oil Company	PO Box 1029	Malakoff	TX	75148-1029	Your item was picked up at the post office at 11:37 am on March 22, 2022 in MALAKOFF, TX 75148.
9414811898765841871387	Billy & Betty Norwood	PO Box 1029	Malakoff	TX	75148-1029	Your item was picked up at the post office at 11:37 am on March 22, 2022 in MALAKOFF, TX 75148.
9414811898765841871332	Lenea F. Weatherford	5014 Sherwood Dr	Midland	TX	79707-1562	Your item was delivered to an individual at the address at 9:50 am on March 22, 2022 in MIDLAND, TX 79707.
9414811898765841871370	Edward L. & Nicholi Johnson	17910 Terranova West Dr	Spring	TX	77379-7950	Your item was delivered to an individual at the address at 11:21 am on March 22, 2022 in SPRING, TX 77379.
9414811898765841871011	R.K. Moore	5718 Paradise Ridge Dr	West Bend	WI	53095-8779	Your item was delivered to an individual at the address at 12:52 pm on March 25, 2022 in WEST BEND, WI 53095.
9414811898765841871059	Ann Landrith Holdings, LLC	PO Box 3363	Tulsa	OK	74101-3363	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9414811898765841871066	Roscommon LLC	3028 Quail Creek Rd	Oklahoma City	OK	73120-1916	Your item was delivered to an individual at the address at 2:04 pm on March 22, 2022 in OKLAHOMA CITY, OK 73120.

Carlsbad Current Argus.

PART OF THE STAT TODAY NETWORK

Affidavit of Publication

Ad # 0005180933


This is not an invoice

HOLLAND & HART
POBOX 2208

SANTA FE, NM 87504

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

03/22/2022



Legal Clerk

Subscribed and sworn before me this March 22, 2022:



State of WI, County of Brown
NOTARY PUBLIC

1-7-25

My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005180933
PO #: Case No. 22627
of Affidavits 1

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BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. F
Submitted by: Redwood Operating LLC
Hearing Date: April 7, 2022
Case Nos. 22627-22628

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES
DEPARTMENT
OIL CONSERVATION DIVISION
SANTA FE, NEW MEXICO

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on **Thursday, April 7, 2022, beginning at 8:15 a.m.** To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us. Documents filed in the case may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than **March 27, 2022**.

Persons may view and participate in the hearings through the following link:

<https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e7a826ddc565491e5572809154e64648d>
Event number: 2483 816 0092
Event password: mJKbXvy44W2

Join by video: 24838160092@nmemnrd.webex.com
Numeric Password: 468428
You can also dial 173.243.2.68 and enter your meeting number

Join by audio: 1-844-992-4726 United States Toll Free
Access code: 2483 816 0092

STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All interest owners subject to pooling proceedings and vertical offsets in pool, including: Sabinal Energy Operating, LLC; Hoya Energy LP; Norwood Oil Company; Billy & Betty Norwood, their heirs and devisees; Maroon Creek, LLC; Ann Landrith Holdings, LLC; Roscommon LLC; and AmeriPermian Holdings LLC.

Case No. 22627: Application of Redwood Operating LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in a 200-acre, more or less, horizontal well spacing unit in a portion of the Yeso formation, from the top of the Yeso formation to a depth of 3,000 feet, comprised of the SW/4 NW/4 of Section 18, Township 18 South, Range 27 East, and the S/2 N/2 of Section 13, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico. Applicant proposes to dedicate the above-referenced spacing unit to the Kaiser 18 #1H well, to be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 18, Township 18 South, Range 27 East, to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 13, Township 18 South, Range 26 East. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof, actual operating costs, charges for supervision, designation of applicant as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 9 miles south of Artesia, New Mexico.
#5180933, Current Argus, March 22, 2022

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005180929

This is not an invoice

HOLLAND & HART
POBOX 2208

SANTA FE, NM 87504

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

03/22/2022



Legal Clerk

Subscribed and sworn before me this March 22, 2022:



State of WI, County of Brown
NOTARY PUBLIC

1-7-25

My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005180929
PO #: Case No. 22628
of Affidavits 1

This is not an invoice

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES
DEPARTMENT
OIL CONSERVATION DIVISION
SANTA FE, NEW MEXICO

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Join by audio: 1-844-992-4726 United States Toll Free
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STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All interest owners subject to pooling proceedings, including: Sabinal Energy Operating, LLC; Hoya Energy LP; Norwood Oil Company; Billy & Betty Norwood, their heirs and devisees; Lenea F. Weatherford, her heirs and devisees; Edward L. & Nicholi Johnson, their heirs and devisees; R.K. Moore, his or her heirs and devisees; Ann Landrith Holdings, LLC; Roscommon LLC; and AmeriPermian Holdings LLC.

Case No. 22628: Application of Redwood Operating LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in a 200-acre, more or less, horizontal well spacing unit in a portion of the Yeso formation, from a depth of 3,000 feet to the base of the Yeso formation, comprised of the SW/4 NW/4 of Section 18, Township 18 South, Range 27 East, and the S/2 N/2 of Section 13, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico. Applicant proposes to dedicate the above-referenced spacing unit to the Kaiser 18 #4H well, to be horizontally drilled from a surface location in the SE/4 NW/4 (Unit F) of Section 18, Township 18 South, Range 27 East, to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 13, Township 18 South, Range 26 East. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof, actual operating costs, charges for supervision, designation of applicant as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 9 miles south of Artesia, New Mexico.
#5180929, Current Argus, March 22, 2022